



DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities: Information Collection Renewal;

Submission for OMB Review; Leveraged Lending

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury.

ACTION: Notice and request for comment.

SUMMARY: The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on a continuing information collection as required by the Paperwork Reduction Act of 1995 (PRA). In accordance with the requirements of the PRA, the OCC may not conduct or sponsor, and respondents are not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The OCC is soliciting comment concerning the renewal of its information collection titled “Leveraged Lending.” The OCC also is giving notice that it has sent the collection to OMB for review.

DATES: Comments must be received by [INSERT 30 DAYS FROM DATE OF PUBLICATION IN **FEDERAL REGISTER**.]

ADDRESSES: Commenters are encouraged to submit comments by e-mail, if possible.

You may submit comments by any of the following methods:

- *E-mail:* prainfo@occ.treas.gov.
- *Mail:* Chief Counsel’s Office, Attention: Comment Processing, 1557-0315, Office of the Comptroller of the Currency, 400 7th Street, SW., suite 3E-218, Washington, DC 20219.

- *Hand Delivery/Courier:* 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- *Fax:* (571) 465-4326.

Instructions: You must include “OCC” as the agency name and “1557-0315” in your comment. In general, the OCC will publish comments on www.reginfo.gov without change, including any business or personal information provided, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Written comments and recommendations for the proposed information collection should also be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review – Open for Public Comments” or by using the search function.

On February 24, 2022, the OCC published a 60-day notice for this information collection, 87 FR 10428. You may review comments and other related materials that pertain to this information collection following the close of the 30-day comment period for this notice by the method set forth in the next bullet.

- **Viewing Comments Electronically:** Go to www.reginfo.gov. Hover over the “Information Collection Review” tab and click on “Information Collection Review” from the drop-down menu. From the “Currently under Review” drop-down menu, select “Department of Treasury” and then click “submit.” This information collection can be located by searching by OMB control number “1557-0315” or “Leveraged Lending.” Upon finding the appropriate information collection, click on the related “ICR Reference

Number.” On the next screen, select “View Supporting Statement and Other Documents” and then click on the link to any comment listed at the bottom of the screen.

- For assistance in navigating www.reginfo.gov, please contact the Regulatory Information Service Center at (202) 482-7340.

FOR FURTHER INFORMATION CONTACT: Shaquita Merritt, Clearance Officer, (202) 649-5490, Chief Counsel’s Office, Office of the Comptroller of the Currency, 400 7th Street, SW., Washington, DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501-3520), Federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. "Collection of information" is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) to include Agency recommendations, requests, or requirements that members of the public submit reports, keep records, or provide information to a third party. The OCC asks that OMB extend its approval of the collection in this notice.

Title: Leveraged Lending.

OMB Control No.: 1557-0315.

Description: On March 22, 2013, the agencies¹ issued guidance to the financial institutions they supervise² on how to evaluate and monitor credit risks in leveraged loans, understand the effect of changes in borrowers’ enterprise values on credit portfolio quality, and assess the sensitivity of future credit losses to these changes in enterprise values.³ In regard to the underwriting of such credits, the guidance provides information for financial institutions to consider in assessing whether borrowers have the ability to

¹ OCC, Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation.

² For the OCC, the term “financial institution” or “institution” includes national banks, Federal savings associations, and Federal branches and agencies supervised by the OCC.

³ 78 FR 17766 (March 22, 2013).

repay credits when due and whether borrowers have sustainable capital structures, including bank borrowings and other debt, to support their continued operations through economic cycles. The guidance also provides information to financial institutions on the risks and potential impact of stressful events and circumstances on a borrower's financial condition.

The final guidance recommends that financial institutions consider developing: (i) underwriting policies for leveraged lending, including stress-testing procedures for leveraged credits; (ii) risk management policies, including stress-testing procedures for pipeline exposures; and (iii) policies and procedures for incorporating the results of leveraged credit and pipeline stress tests into the firm's overall stress-testing framework. Although they are not legal requirements, these recommended policies qualify as "collections of information" as defined in the PRA.

Respondents are financial institutions with leveraged lending activities, as defined in the guidance, that may develop policies recommended in the guidance.

Title: Guidance on Leveraged Lending.

OMB Control No.: 1557-0315.

Frequency of Response: Annual.

Affected Public: Financial institutions with leveraged lending.

Burden Estimates:

Estimated number of respondents: 1 to build; 29 for ongoing use.

Estimated total annual burden: 1,350.4 hours to build; 49,462 hours for ongoing use.

Total estimated annual burden: 50,812.4 hours.

The burden hours have been adjusted to remove the build burden for all but new institutions.

On February 24, 2022, the OCC published a 60-day notice for this information collection, 87 FR 10428. No comments were received. Comments continue to be requested on:

(a) Whether the information collection is necessary for the proper performance of the OCC's functions, including whether the information has practical utility;

(b) The accuracy of the OCC's estimates of the burden of the information collection, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

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